



Service Standards & Agreements

**Student Aid
Front 2 Back**

SFA's Service Standards

- ❖ Be Worthy of Trust
- ❖ Be Courteous
- ❖ Deliver Great Products & Services
- ❖ Be Efficient

What do they mean for us today?

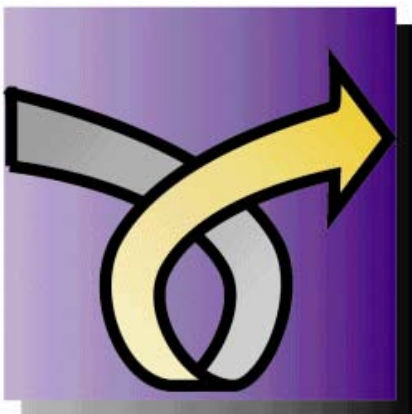
Service Standard	Agreements
❖ Be Worthy of Trust	❖ Return to class on time ❖ Share experiences
❖ Be Courteous	❖ Be courteous to classmates, presenters and logistics coordinators
❖ Deliver Great Products & Services	❖ Actively participate in exercises
❖ Be Efficient	❖ Use our training time well

What other agreements should we honor today?



Our Journey

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Lessons from PBO at the Front Lines

- ❖ Customer Focused
- ❖ Outstanding Customer Service
- ❖ Traditional Organization vs. PBO
- ❖ Introduced SFA Service Standards
- ❖ Action Planning

Lessons from Traditions

- ❖ Why we needed to change
- ❖ Our mission as a PBO
- ❖ The history of financial aid
- ❖ Performance excellence
- ❖ Using the service standards



What lessons will we learn today?

- ❖ A shared understanding of the financial aid process
- ❖ How we work with others in the financial aid industry to help put America through school
- ❖ A better sense of SFA's organization
- ❖ How Modernization and Transformation help us achieve our goals
- ❖ Measurement focuses our efforts



Agenda

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Introduction

Student Aid Process

The Industry Players

SFA Support

Modernization & Transformation

Measurements

Conclusion



Our Mission

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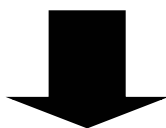


- ❖ Our mission: To Help Put America Through School.
- ❖ The “process” is the work involved in delivering student aid.
- ❖ We work with other players in the financial aid industry to support the process.
- ❖ Modernization and Transformation helps us improve our processes and systems.
- ❖ As a PBO, we have begun to measure our performance to track our progress, allow for continual improvement, and identify our strengths and weaknesses.



Our Basic Philosophy

- ❖ The responsibility to pay for a student's education belongs primarily to the student and the student's family, to the extent it is possible.
- ❖ To fairly and uniformly assess the family's ability to pay for a student's education, Congress established a formula for determining how much a student and his/her family could reasonably be expected to pay.



The result was the Expected Family Contribution (EFC)

Dependent vs. Independent

- ❖ If dependent, the parents' income and assets are assessed as well as the student's
- ❖ If independent, the income and assets of the student and the student's spouse are assessed

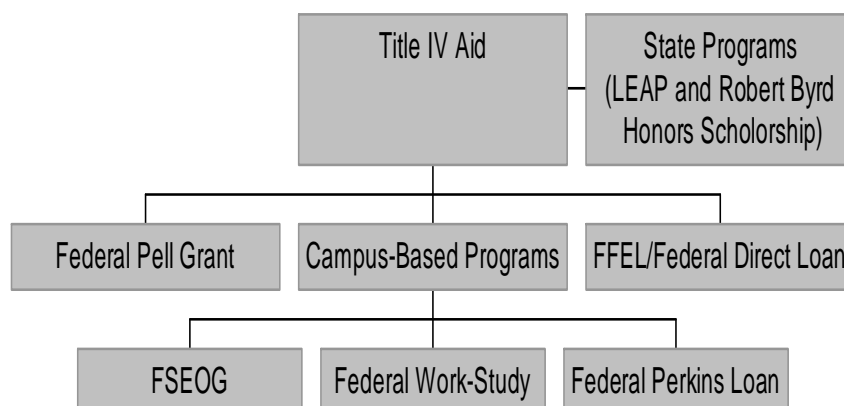
What is Need?

- ❖ COA = Cost of Attendance
- ❖ EFC = Expected Family Contribution
- ❖ $\text{COA} - \text{EFC} = \text{Need}$



The Programs (1)

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Federal Pell Grant	<ul style="list-style-type: none"> • Gift Aid that need not be repaid • Foundation of need-based financial aid programs • Undergraduate students only • “Portable” student specific aid • \$3,750 maximum for 2001-2002
Federal Supplemental Educational Opportunity Grant (FSEOG)	<ul style="list-style-type: none"> • Gift Aid that need not be repaid • Undergraduate students only • Must be awarded first to Pell eligible students with the lowest EFC • Campus-Based Program; limited funds awarded at school’s discretion • \$4,000 annual maximum
Federal Work-Study	<ul style="list-style-type: none"> • Self-help aid – student works for pay • On-campus or off-campus employment • Campus-Based Program; limited funds awarded at school’s discretion • No annual maximum



The Programs (2)

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Federal Perkins Loan	<ul style="list-style-type: none"> • Self-help aid – loan must be repaid • 5% interest rate • Campus-Based Program; limited funds awarded at school's discretion • Program administered by school • Revolving loan account; funds repaid to school are used to make new loans • Cancellation benefits for certain types of employment • \$6,000-\$8,000 annual maximum
Federal Family Education Loan Program (FFEL)	<ul style="list-style-type: none"> • Self-help aid – loan must be repaid • Variable interest rate not to exceed 8.25% (except PLUS, not to exceed 9%) • Funds from private lenders • Guaranty Agencies guarantee lenders from loss by borrower default • Loan types <ul style="list-style-type: none"> – Subsidized Stafford – Unsubsidized Stafford – Parent Loan for Undergraduate Students (PLUS) – Consolidation • \$2,625 to \$18,500 annual maximum (except PLUS)
Federal Direct Loan Program	<ul style="list-style-type: none"> • Self-help aid – loan must be repaid • Variable interest rate not to exceed 8.25% (PLUS not to exceed 9%) • Funds from U.S. Treasury • Loan Types <ul style="list-style-type: none"> – Subsidized Stafford – Unsubsidized Stafford – Parent Loan for Undergraduate Students (PLUS) – Consolidation • \$2,625 to \$18,500 annual maximum (except PLUS)



The Student's Life Game (1)

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Game Instructions

Purpose:

To learn about the student aid process from the student's point of view.

The Object of the Game:

- Players compete to achieve dreams while collecting "player cards."
- Each player is given two player cards at the beginning of the game, and these cards may be given and taken away throughout the game.
- Collecting player cards is the equivalent to obtaining "points" towards winning the game.
- The player who completes the game with the most player cards wins.

Before The Game

Determine who will play the following roles:

Learning Administrator.

- This person uses the Learning Administrator's Guide to verify players' answers to questions.
- The Learning Administrator should review the instructions in the Learning Administrator's Guide prior to the game.

Life Event Administrator.

- Announce the life events under the headings "Uh-Oh" and "Good News."
- Give and take away "player cards" for life events and questions.
- Read the job description for the players who land on "Get a Job."
- The Life Event Administrator should briefly review the instructions in the Life Event Administrator's Guide prior to the game.

Characters.

- Three players are needed to play the student roles in the game.
- Each player should pick a student role, wear the corresponding nametag, read the profile for the student, embellish the character, and introduce his/her character to the rest of the group.



The Student's Life Game (2)

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Start The Game

1. Determine who will play the following roles: Learning Administrator, Life Event Administrator, and three students/players.
2. The Life Event Administrator gives each player two "player cards."
3. Roll the die to determine who goes first. The player rolling the highest number goes first.
4. Each player rolls the die and advances the indicated number of spaces on the board. Players may land on the following spaces:

Uh – Oh – These are unfortunate events that may require losing a player card or skipping a turn.

Good News! – These are happy occasions that may result in obtaining a player card.

Red Stop Signs – When a player advances to a Stop Sign, he/she has to stop, regardless of the number shown on the die. When on the stop sign, the player draws a card from the corresponding stack of stop sign cards and reads the question aloud. The player must communicate the number on the stop sign card to the Learning Administrator, who will reference the Learning Administrator's Guide to verify the answer. This player may then answer the question.

Question Marks (?) – When a player lands on a question mark (?), the player must draw a card from the stack of questions and read the question aloud. The player must communicate the number on the question mark card to the Learning Administrator, who will reference the Learning Administrator's Guide to verify the answer. This player may then answer the question.

PLEASE NOTE:

For every question in the game (from either a Stop Sign or a Question Mark), a correct answer results in obtaining a player card. However, if the question is answered incorrectly, any other player may request to answer the question by smacking the table with his/her hand. The first player to smack the table will have the opportunity to obtain a player card with a correct answer. If the second player answers incorrectly, the Learning Administrator will read the correct answer and the game continues with the next indicated player.

5. The first player to pay off his/her student loans will receive 3 player cards. However, the winner of the game is determined as the player with the most player cards after all students have paid off their student loans.



The Student's Life Game (3)

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The Characters

JUDY

Judy is a 32-year old medical technician, who draws blood at St. Jude Children's Hospital in Memphis, TN. She earns \$24,000 per year and has \$3,000 in savings. Judy is a single mother of 2 children and receives \$300 per month in child support. She dreams of going to school to become a registered nurse. She believes this will enable her to have a more fulfilling career and better provide for her children. She is interested in going to either Baptist Hospital's Nursing School or the University of Tennessee's Nursing School.

SAMMY

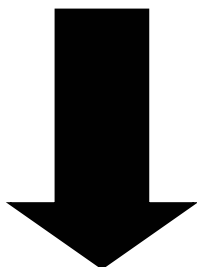
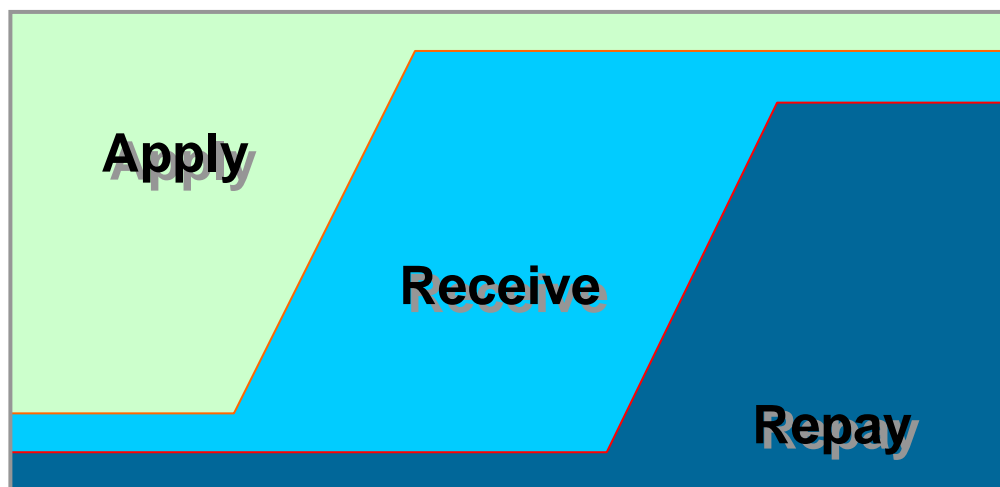
Sammy is an 18-year old student from Chicago. He is interested in going to a 4-year university, either American University in Washington, D.C. or Stanford University in California. Sammy dreams of attending school so that he can work on Wall Street one day. He thinks he would major in Finance. His parents earn \$72,000 per year and have \$15,000 in savings. Sammy is an only child.

RAPUNZEL

Rapunzel has been working at a Day Spa in Kansas City, KS as a manicurist for 2 years, earning \$17,500 per year. She dreams of going back to school to become a cosmetologist. Rapunzel is 20 years old and single. She is interested in Barbizon and School de Beaute.

Rapunzel has not lived with her parents for two years but is still considered dependent for financial aid purposes. Her mother is divorced and is supporting her 3 younger siblings working as a waitress at a local restaurant. Her mother made \$22,000 last year and received no child support from Rapunzel's father. Because of a poor credit history, Rapunzel's mother will not be able to borrow a PLUS Loan to help her finance her education.

From Traditions...



...to Front 2 Back



- ❖ In Front 2 Back, we build on that process with greater detail, showing more of what the student experiences during the financial aid process.







Repay

Student Aid
Front 2 Back

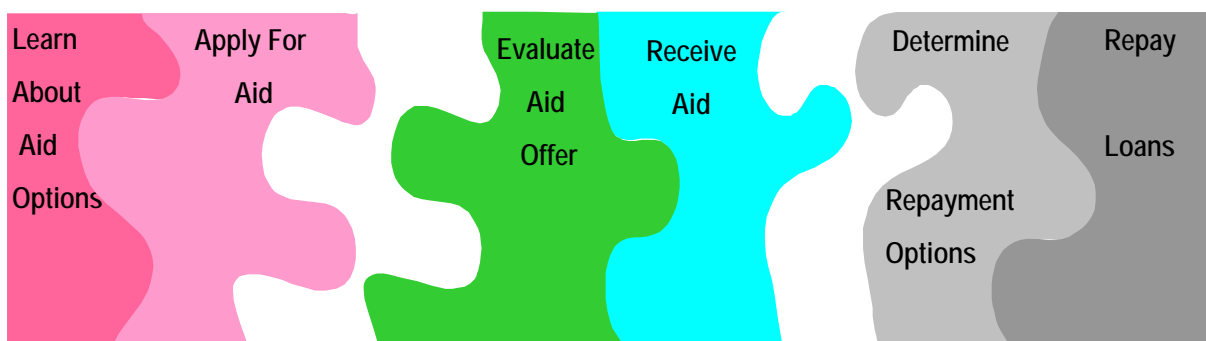
Repay

Determine

Repayment
Options

Repay

Loans





The Players

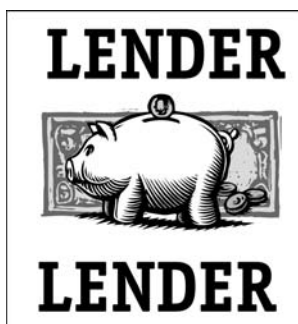
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SFA includes 1,200 federal employees based in Washington, D.C. and in the 10 regional offices. It also includes over 6,000 operating partners who manage application processing, call centers, systems support, software production, management consulting, and various other tasks and responsibilities. SFA is responsible for administering student aid in a number of ways, including the Direct Loan, Pell Grant, and Campus-Based Programs.



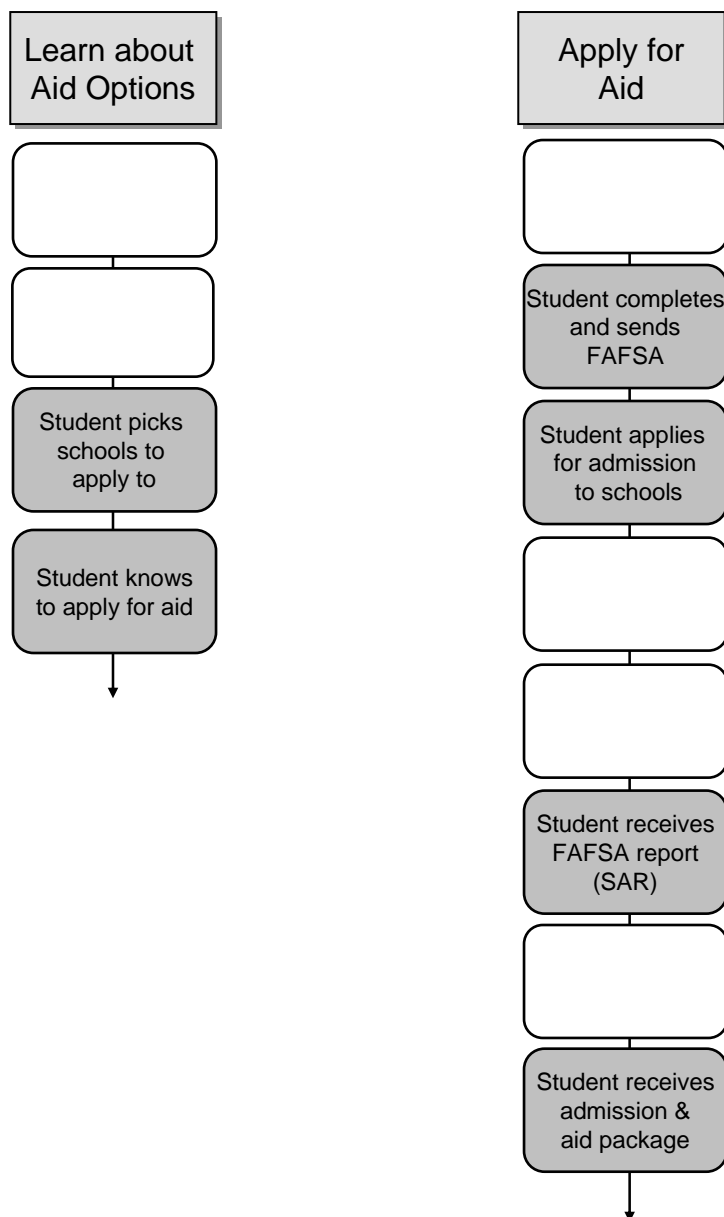
There are over 6,000 Title IV eligible schools in the U.S. This includes public community colleges, public and private 4-year degree institutions, public and private vocational schools, and public and private graduate/professional schools. Additionally, there are over 1,000 eligible foreign institutions where students can receive FFEL funds.

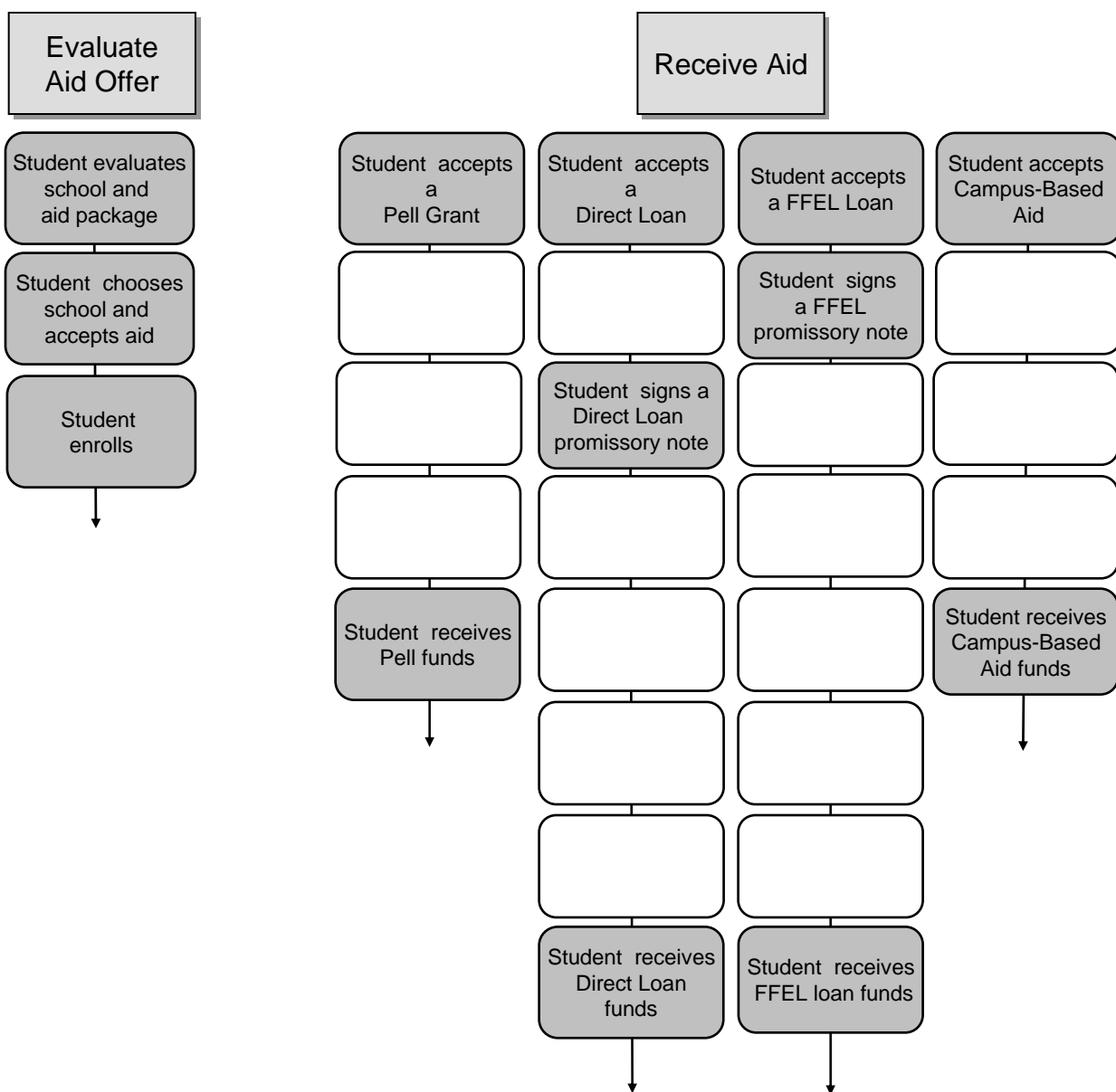


Lenders participating in the FFEL program provide funds annually to millions of students and their parents. These are low interest loans which require no credit checks of student borrowers. Many lenders sell FFEL loans to secondary markets, such as Sallie Mae, which take on the responsibility for servicing the loans. Lenders are paid interest and a special allowance rate by the federal government for periods during which a loan qualifies for subsidized benefits.

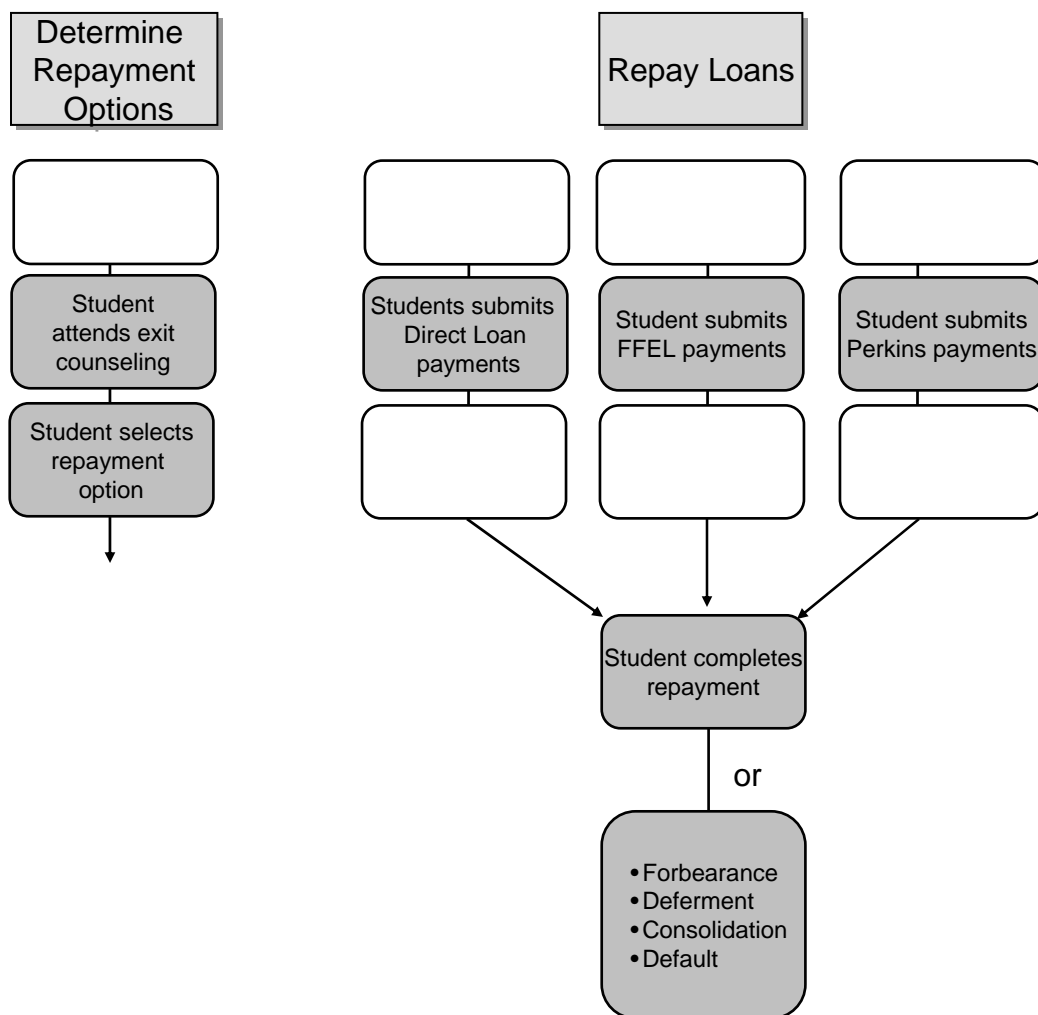


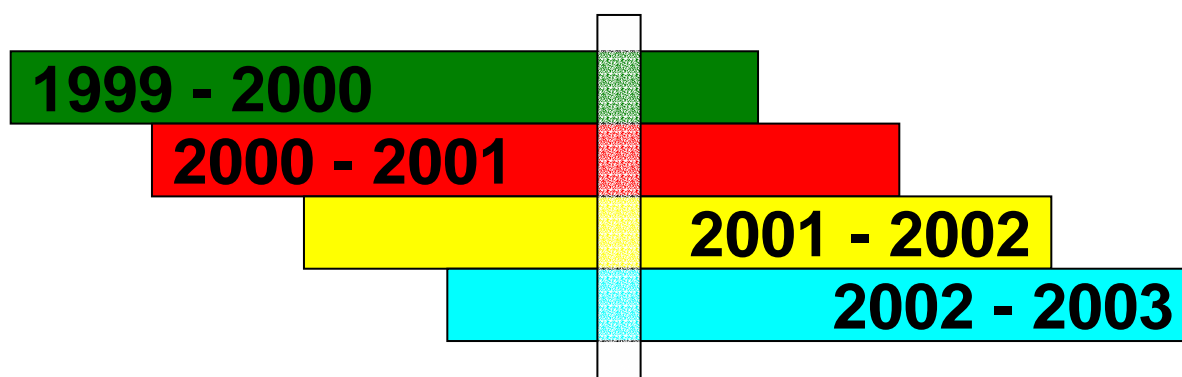
Guaranty Agencies act as a middle man between the lenders participating in the FFEL program and the federal government. The GA receives a 1% guaranty fee from the proceeds of any disbursed loan. In return, it provides the lender with collection assistance to prevent default and reimburse the lender if the borrower defaults on the loan. The Department of Education reimburses the GA a percentage of the default claim based on the default rate of its agency loans.



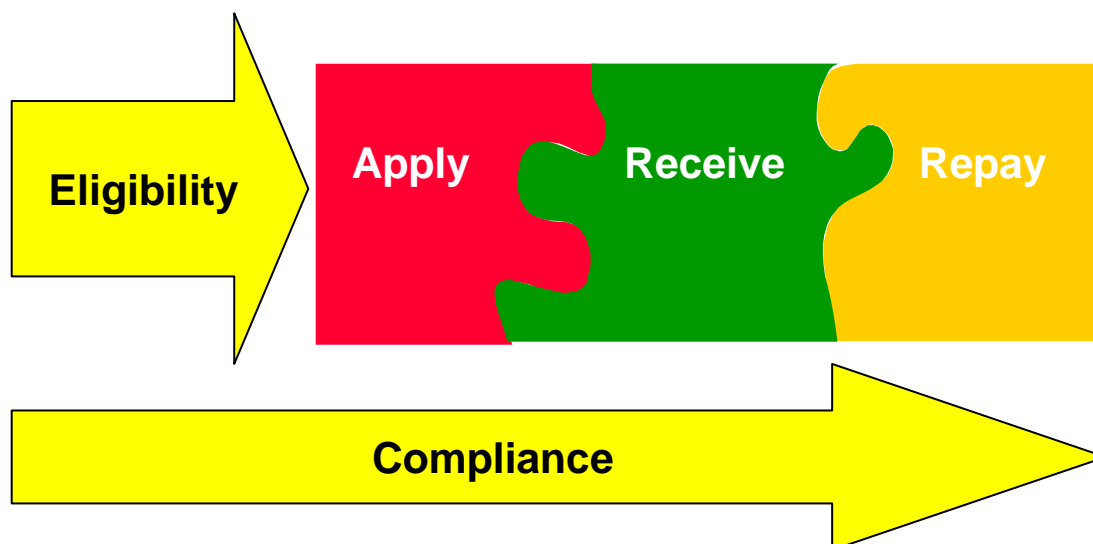


Repay



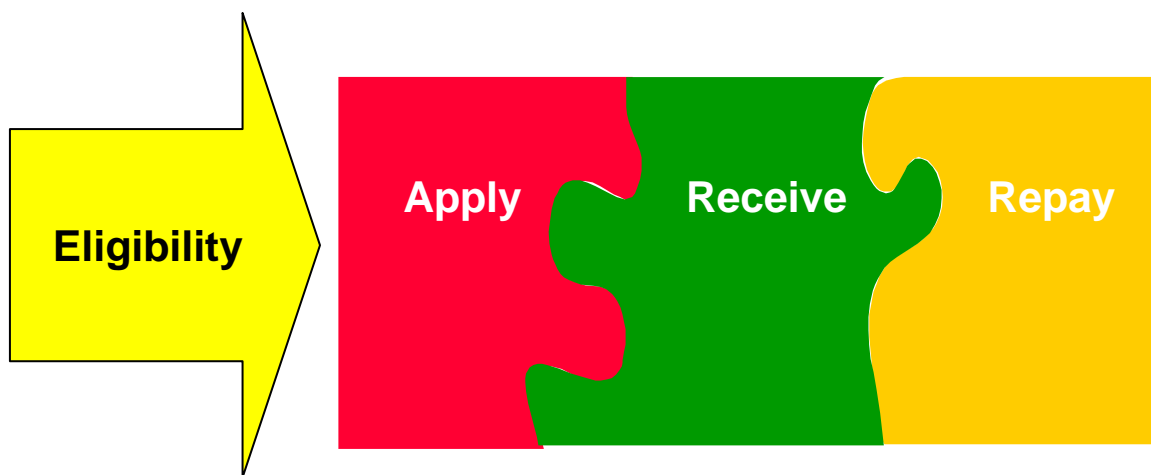


- The school's process involves a lifecycle of activities.
- At any given time, the process includes different years in the lifecycle. For example, preparation work could be going on for next year while at the same time reconciliation work is going on for past years.



Eligibility –Determines whether schools or financial partners meet the criteria to participate in Title IV programs. Eligibility takes place at the beginning of the student financial aid process.

Compliance – Includes those functions performed to ensure that schools and financial partners follow program regulations. Compliance is ongoing throughout the student financial aid process.



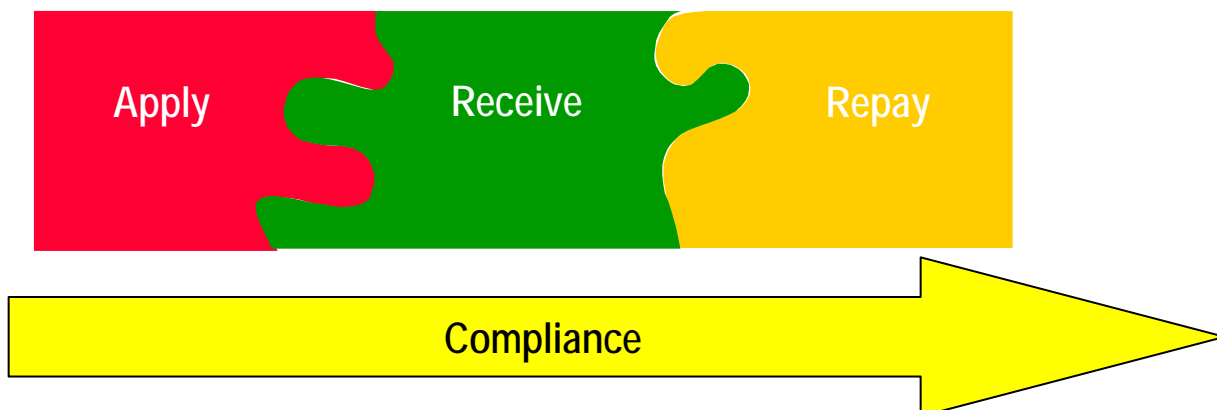
School Eligibility

To apply, the school:

- ❖ Must meet state, accrediting agency and Title IV requirements
- ❖ Must offer at least one eligible program
- ❖ Must have been teaching an eligible program for at least 2 years
- ❖ Must meet financial responsibility and administrative capability standards
- ❖ Must enter into a Program Participation Agreement with the Department of Education

The SFA eligibility process includes the following:

- ❖ Processing the school's application and confirming the school's eligibility
- ❖ Informing school of decision (providing the "New School Package")
- ❖ Performing an onsite visit during the first year



The School Case Management team reviews:

- ❖ Financial audits
- ❖ Compliance audits
- ❖ Past performance information
- ❖ Management capability information
- ❖ Student complaints
- ❖ Referrals from the Office of the Inspector General (OIG)
- ❖ “Red flags” from the Institutional Assessment Model (IAM) system

The School Case Management team can:

- ❖ Provide technical assistance and compliance assistance
- ❖ Do a program review
- ❖ Limit, suspend, or terminate a school based on adherence to regulations

Financial Partner Compliance Process

- ❖ Determine financial partners to review
- ❖ Review financial partner files and document filings
- ❖ Notify financial partners of actions to take
- ❖ Verify that financial partner has taken actions



Enterprise-Wide Services

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- ❖ To be a successful PBO, SFA must meet certain needs.
- ❖ This means satisfying all our customers, including those within SFA.
- ❖ With our unique flexibility, we established enterprise-wide services to support enterprise-wide functions.

Acquisitions & Contract Perf.	Analysis	CFO	CIO
Comm.	COO	Human Resources	SFA U

Major responsibilities of Enterprise Services.

Enterprise Services	Major Work Responsibilities
Acquisitions & Contract Perf.	Responsible for identifying, selecting and managing external contractors.
Analysis	Responsible for program development and management and the performance measurement of programs across channels.
CFO	Responsible for supporting the PBO by serving as the focal point for the development and implementation of financial management policies, procedures, systems and program controls.
CIO	Responsible for promoting the effective use of technology to achieve SFA's strategic objectives.
Communications	Responsible for managing the SFA image and ensuring consistency in communications.
COO	Responsible for effectively managing SFA as a PBO.
Human Resources	Responsible for implementing a "Centers of Excellence" model and meeting the personnel needs of the organization.
SFA University	Responsible for creating and delivering training programs that target SFA partners and employees and support the PBO.



What Do I Do?

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Answer the following questions individually, then share the answers with your table team:

What does my area do?

What do I do?

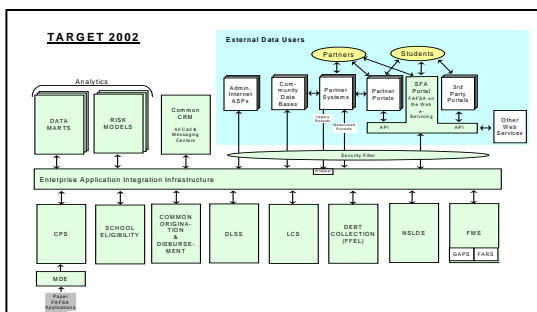
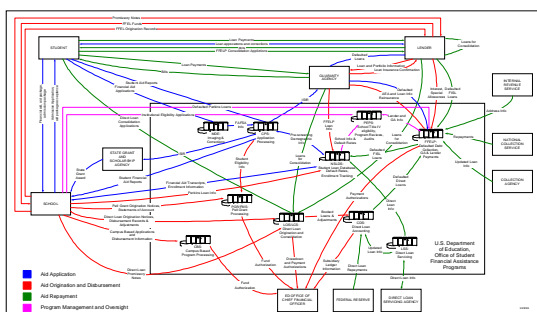
What is new in my area?



Modernization & Transformation

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Modernization is...



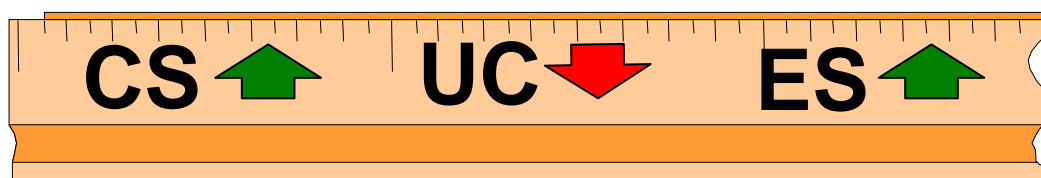
- ❖ Replacing out-of-date systems with new integrated systems
- ❖ Implementing e-commerce solutions
- ❖ Simplifying and improving business processes
- ❖ Transforming SFA into an organization committed to its customers, employees and its mission

For more information about modernization check out:

<http://sfablueprint.ed.gov>

Transformation is...

- ❖ Constantly listening to our customer
- ❖ Focusing on results
- ❖ Making performance matter
- ❖ Making important decisions at the front line
- ❖ Having a work environment that fosters innovation, fun, and performance excellence



Our mission:

- ❖ Why we exist

Our process:

- ❖ The work and tasks involved in delivering student aid

Our measurement:

- ❖ The balanced scorecard, which measures customer satisfaction, unit cost, and employee satisfaction



Measurement and Goals

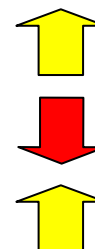
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Measurements:

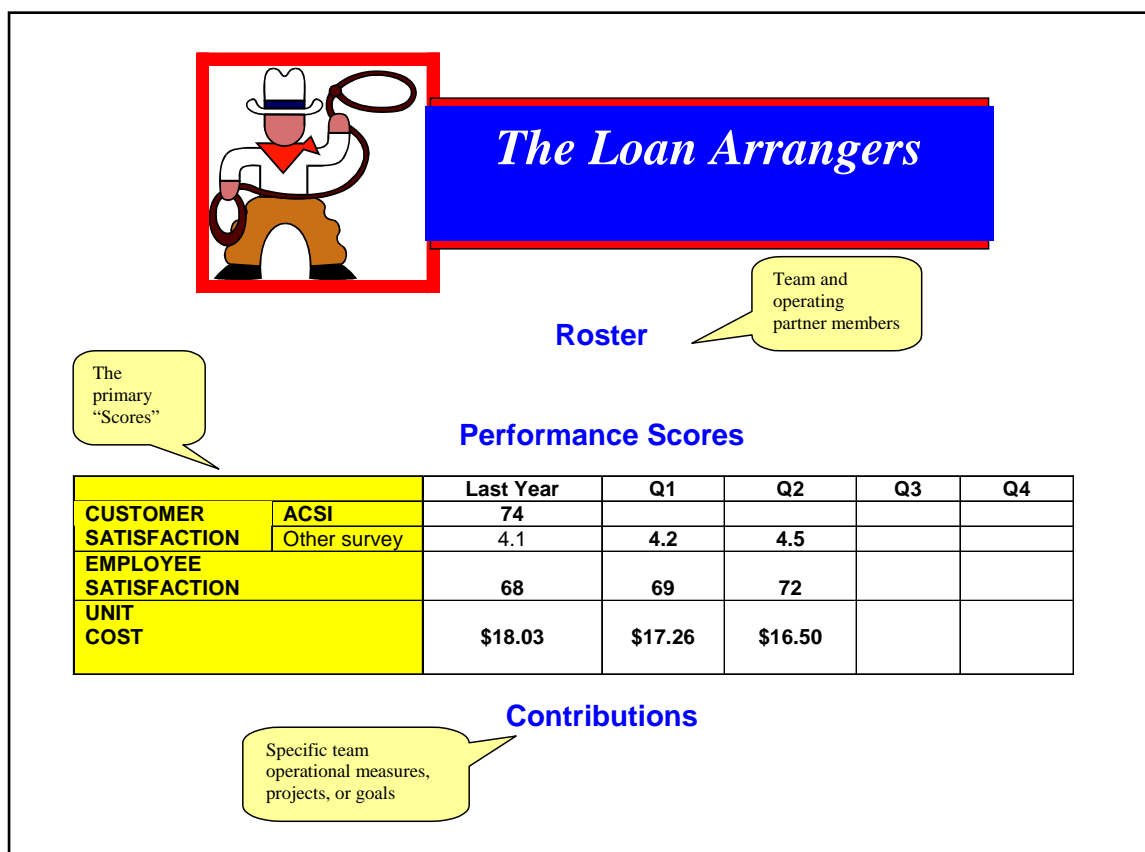
- ❖ Allow us to gauge our performance
- ❖ Are the first step in becoming accountable
- ❖ Help identify areas for improvement
- ❖ Let us determine whether the changes we make are effective
- ❖ Allow for performance awards

Our Performance Goals

- ❖ Increase Customer Satisfaction
- ❖ Decrease Unit Cost
- ❖ Increase Employee Satisfaction



Tool Name	Performance Goal Affected	SFA Score	SFA Goal	Details
American Customer Satisfaction Index (ACSI)	Customer Satisfaction	72.9 out of 100	74	<ul style="list-style-type: none"> • Annual survey conducted by the University of Michigan • Measures hundreds of Fortune 500 companies by calling and surveying their customers • Uses results of surveys to create industry standards
Unit Cost Formula	Unit Cost	\$19.08	\$18.06	<ul style="list-style-type: none"> • The Unit Cost Formula = Cost of Administering Aid / Number of Recipients
Gallup Workplace Management Tool (Q 12)	Employee Satisfaction	3.5 out of 5	3.6	<ul style="list-style-type: none"> • 12 question instrument with high correlation to productivity • Assesses individual workgroups rather than the whole organization—more specialized



Scorecards are the parsing out of SFA's goals and the projects and measures in the Performance Plan among all teams in SFA. It's cascading scores down to the team level.

Team Scorecards include:

- ❖ A roster of the team, including operating partners
- ❖ The scores of the three goals associated to the team and any other scores the team deems appropriate
- ❖ Projects and measures in the Performance Plan associated with the team and any others the team deems appropriate
- ❖ A team name



Measurement Worksheet (1)

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Which performance goals do you think these initiatives affect?

Performance Plan Initiative	Unit	C S	U C	E S
Establish a web portal for students that will provide access to student related online services.	Students			
Process 98% of the Direct Loan origination and disbursement records within two days.	Schools			
Based on the "Fall Repayment Symposium" establish a program and multi-year goals to further reduce the cohort and lifetime default rates.	Financial Partners			
Implement configuration management for SFA initiatives.	CIO			
Provide full accounting capability for all SFA programs through implementation of the Financial Management System using Oracle Federal Financial products.	CFO			
Develop and implement a national outreach program to increase the use of FAFSA on the Web, the DL servicing web site, and electronic debit by 30% or more.	Communications			
Design and deliver a course on student aid traditions to all SFA employees by December 15, 2000, that results in a renewed connection with SFA's history and mission, and strong links to the PBO's mission and standards.	SFAU			
Develop and test a feedback loop to give internal and external operating partners individualized quarterly reports of student complaint cases specific to their unit.	Ombudsman			
Pilot individual team-based scorecards.	Analysis			
Modify procedures to expedite the recruiting process.	HR			
Ensure new contracts include consistent and value added performance measures.	Acquisitions & Contracting Perf.			
Build the enterprise technical architecture including middleware	CIO			
Complete 96% of reimbursement requests within 30 days.	Schools			
Process loan consolidations in 50 days or less.	Students			



Measurement Worksheet (2)

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Fill in the Blanks using the Performance Plan

Performance Plan Section	Fill in the Blank
Strengthening Financial Integrity	For all new external audits received in FY 2001, we pledge to _____ % of those within the standard six-month period.
Goal #1 Customer Satisfaction	The average overall customer satisfaction score for government agencies is almost _____ out of 100.
Goal #2 Unit Cost	We set a goal of saving \$18 million during FY 2000 to help pay for further modernization, and we surpassed that goal, saving \$_____.
Goal # 3 Employee Satisfaction	For our most recent survey, the first one using the Gallup questionnaire, our response rate rose to _____%.
A Student's Perspective	For the 2000-2001 school year, we will get about _____ million of the more that 10 million applications electronically.
Goal #1 Customer Satisfaction	Last year, the only process measured by ACSI was electronic filings of _____.
Goal #2 Unit Cost	We are committed to reducing unit cost by 19% by FY_____.
Goal # 3 Employee Satisfaction	Employees in more than _____ companies worldwide have calibrated it, and Gallup maintains a database of responses from more than 400,000 employees in thousands of organizations and work groups.
A School's Perspective	In 2001 we will retire the _____, _____, _____, eliminating its redundant functions and migrating needed functions to other systems.
Goal #1 Customer Satisfaction	Customers rated the professionalism of our staff, courtesy, and knowledge _____.

More about the Performance Plan: <http://www.ed.gov/offices/OSFAP/PerPlan.pdf>



What About Me?!

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Answer the following questions individually, then share answers with your table team:

What are some of my area's Performance Plan goals and initiatives?

How does my area support the overall goals of SFA?

How do I contribute to my area's support of our goals?

What will I do to support these goals and initiatives?



Conclusions

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What have
we learned?

- ❖ A shared understanding of the financial aid process
- ❖ How we work with others in the financial aid industry to help put America through school
- ❖ A better sense of SFA's organization
- ❖ Modernization and Transformation help us achieve our goals
- ❖ Measurement focuses our efforts



Appendices

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Appendix A - - - - - Glossary

Appendix B - - - - - Technology Terms

Appendix C - - - - - Operating Partners

Appendix D - - - - - Acronym List



Appendix A Glossary

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Term	Definition
Cancellation (of a loan)	This occurs when a borrower meets specific requirements that permit nullifying the borrower's obligation to repay a designated portion of principal and interest on a student loan. Also called discharge of a loan.
Capitalizing Interest	A process in which a lender adds unpaid interest to the loan principal. Capitalizing is a way to postpone interest payment; it increases the amount of the principal and, consequently, the total loan amount that must be repaid.
Central Processing System (CPS)	Department of Education's Central Processing System for analyzing information from FAFSAs and calculating the Expected Family Contributions (EFC).
Certification of Loan Application	The collecting of data from a student and the reporting of it on a FFEL student loan application for certification. The data is the basis for making a loan. Certifying an FFEL loan application is comparable to originating a Direct Loan. See also <i>Origination</i> .
Cohort Default Rate	For the Federal Perkins Loan, Federal Stafford Loan Program and Federal Direct Loan Program, the percentage of an institution's current and former students who entered student loan repayment in a specific fiscal year on loans received for attendance at that institution, and who defaulted before the end of the following fiscal year. For any fiscal year in which fewer than 30 students entered repayment, the percentage is determined on the basis of students who entered repayment as just described in any of the three most recent fiscal years, and who defaulted before the end of the fiscal year immediately following the year they entered repayment.
Consolidation Loan	A loan that combines multiple federal student loans into a single loan with one monthly payment.
Cost of Attendance	Tuition and fees, room and board expenses while attending school, allowances for books and supplies, transportation, loan fees (if applicable) dependent child care costs, costs related to a disability, study-abroad costs, and other miscellaneous expenses, as outlined in Section 472 of the Higher Education Act.



Appendix A Glossary

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Term	Definition
Deferment (of a loan)	A period of postponement during which repaying loan principal is suspended as a result of the borrower meeting one or more of a number of deferment requirements established by law. Interest continues to accumulate during deferment of an unsubsidized loan. Also see <i>Forbearance</i> .
Disbursement	A school's payment of financial aid funds to a student through cash, check or credit to a student's account. Called <i>Delivery</i> in the Federal Family Education Loan Program (FFEL).
Electronic Data Exchange (EDE)	An ED system that enables institutions to transmit, receive and correct application data, package student awards, and transmit Pell Grant and Direct Loan payment information via a telecommunications network.
Eligible Program	An educational program that meets regulatory requirements for participating in Title IV programs, and which has been approved by the U.S. Secretary of Education to do so.
Expected Family Contribution (EFC)	The figure that indicates how much of a family's financial resources should be available to help pay a student's postsecondary education expenses. This figure, which is determined according to a statutorily defined method known as the federal Need Analysis Methodology, is used for all students in determining eligibility for Title IV student financial aid.
FAFSA (Free Application for Federal Student Aid)	The Free Application for Federal Student Aid is the foundation for all Title IV need analysis computation. The application form is available free of charge and is completed by the student and his/her family. It gathers data to calculate the Expected Family Contribution, which is used to determine eligibility for Federal Pell Grant, Campus-Based, Federal Stafford and Direct Loan awards.
Forbearance (on a loan)	A lender's option of allowing a <i>temporary</i> cessation of payments of subsidized or unsubsidized Federal Stafford, Federal Direct, Perkins or PLUS Loans, <i>or</i> allowing an extended period for making payments, <i>or</i> accepting smaller payments than were previously scheduled. Forbearance may be given for circumstances that are not covered by deferment. Interest continues to accumulate during forbearance.



Appendix A Glossary

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Term	Definition
Guaranty Agency	A state agency, or a private, nonprofit institution, or an organization that administers federal student financial aid programs under the Federal Family Education Loan Program. One major function is to insure FFEL loans. Guaranty agencies are reimbursed by the federal government for all or part of the insurance claims they pay to lenders on distributed loans.
Institutional Student Information Record (ISIR)	A record generated by the Department of Education's Central Processing System (CPS) and made available to schools through the Electronic Data Exchange (EDE). It includes full applicant data, information on reject reasons, comments and assumptions. See also <i>Student Aid Report</i> .
Loan Servicing	Activities undertaken to maintain a loan. Applies to both FFEL and Federal Direct Loans, as well as Federal Perkins loans.
Master Promissory Note	A promissory note that allows a school to obtain a student's signature once for all disbursements for his/her entire enrollment at the school. Used for both Federal Direct Loans and Federal Family Education Loans. See <i>Promissory Note</i> .
Origination	The collecting of data from a student and the entering of it into origination records for Direct Loans and Pell Grants. The data is the basis for making a loan for the Federal Direct Loan program, or establishing eligibility for a Pell Grant. In the financial services industry, origination is the securing of a completed loan application from a borrower. Originating a Direct Loan is comparable to certifying an FFEL loan application. See also <i>Certification of Loan Application</i> .
Promissory Note	A legally binding contract between a lender and a borrower that contains the terms and conditions of the loan, including how the loan is to be repaid.
Secondary Market	A market for loans that were previously issued or sold. It is not uncommon for a FFEL loan to be purchased by a secondary market lender who then takes on servicing responsibilities for the loan.



Appendix A Glossary

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Term	Definition
Student Aid Internet Gateway (SAIG)	Formerly known as TIV WAN, this is the system that connects a school's financial aid office with other Department of Education Title IV systems. SAIG uses store-and-forward technology to allow schools to pass data to various ED contractors and allows contractors to pass data back to schools. Each school has a mailbox on the SAIG. Schools use telecommunications software to dial up their mailbox and send or receive Title IV data.
Student Aid Report (SAR)	The report sent directly to a student from the Department of Education's Central Processing System that summarizes the information submitted on a student's Free Application for Federal Student Aid (FAFSA) and provides financial need calculations, including the student's Expected Family Contribution (EFC).
Third Party Servicer	An individual, state, or private (either profit or non-profit) organization that contracts with an eligible school or lender to administer any aspect of the institution's participation in a federal student financial aid program.
Verification	The technical and administrative procedures for detecting and resolving inaccuracies in the data a student (and family) supplied on the Free Application For Federal Student Aid (FAFSA).



Appendix B Technology Terms

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Information Technology Terms

Application - 1) The use of a technology, system, or product. 2) A shorter form of application program. An application program is a program designed to perform a specific business function directly for the user or, in some cases, for another application program. Examples of applications include word processors, database programs, Web browsers, development tools, drawing, paint, and image editing programs, and communication programs.

Architecture - The manner in which the components of a computer or computer system are organized and integrated.

Business process - A series of actions or operations conducting to an end; in information technology the combination of manual and computer operations to produce a desired result. In business, executing an established usually routine set of procedures such as “process an insurance claim.”

Digital signature - An electronic rather than a written signature used to authenticate the identity of the sender of a message or of the signer of a document. It can also be used to ensure that the original content of the message or document that has been conveyed is unchanged.

E-business (electronic business) - Derived from such terms as “e-mail” and “e-Commerce,” the conduct of business on the Internet. This includes not only buying and selling but also servicing customers and collaborating with business partners.

E-Commerce (EC) - The buying and selling of goods and services on the Internet, especially the World Wide Web. e-Commerce and e-business are often used interchangeably.

E-gov - Refers to delivery government services through information technology. Also electronic government.

Electronic data interchange - The exchange of data, in a standardized form, between the computing systems of two different companies. Historically this has been an exchange of files with a batch of transactions.



Appendix B Technology Terms

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Enterprise application integration (EAI) - Plans, methods, and tools aimed at modernizing, consolidating, and coordinating the computer application in an enterprise. Typically, an enterprise has existing “legacy application” applications and database and wants to continue to use them while adding or migrating to a new set of applications that exploit the Internet, e-Commerce, extranet, and other new technologies. EAI may involve seeing how existing applications fit into a modernization plan, and then devising ways to efficiently reuse what already exists while adding new applications and data.

Internet - A worldwide system of computer networks - a network of networks in which users at any one computer can, if they have permission, get information from any other computer (and sometimes talk directly to users at other computers). Technically, what distinguishes the Internet is its use of a set of protocols called TCP/IP (Transmission Control Protocol/Internet Protocol). These protocols are implemented in almost every computer system from personal computers to mainframes.

Intranet - A private network within a company or organization. Typically, an intranet of several computers is linked to the Internet through some kind of gateway, so that a company can share information among insiders and also, where appropriate, share it with outsiders on the Internet (a setup that’s also called an extranet).

Legacy - Refers to an existing application or information system that has a different architecture or functions that the current or planned information technology architecture. See middleware.

Middleware - A type of software used to permit two or more types of software to exchange data. Invisible to the user, middleware permits two incompatible software applications to work seamlessly together. Often middleware will be used to permit a legacy application to operate with others in a new architecture, or to support new or additional applications that require processes or data from legacy systems.



Appendix C Operating Partners

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Operating Partner	Key Function	Who do they work with?	Tie to Process
Accenture	<ul style="list-style-type: none"> Modernization Partner 	SFA	<ul style="list-style-type: none"> Entire Process
Acquisition Solutions	<ul style="list-style-type: none"> Assists SFA Acquisitions and Contract Performance Organization in restructuring legacy contracts into performance-based contracts 	Contracting & Acquisitions	<ul style="list-style-type: none"> Entire Process
ACS Affiliated Computer Systems, Government Solutions Group, Inc.	<ul style="list-style-type: none"> Operates Direct Loan Servicing System, receives and processes booked Direct Loans from the Direct Loan Origination System (DLOS), and receives information from Consolidation Services direct loans (billing and collections) while the borrower is in school, in grace, in deferment, forbearance, or repayment status Authorizes funding and handles accounting, reconciliation, and customer service call center functions for the Direct Loan program Operates Recipient Financial Management System (RFMS) to process origination records and calculate eligibility for Pell Grants 	Students Channel Schools Channel CIO	<ul style="list-style-type: none"> Repay Receive Customer Service
ACT American College Testing	<ul style="list-style-type: none"> Receives and scans paper FAFSAs, renewal FAFSAs, SARs, and signature pages for FAFSA on the Web Transmits data and images to the CPS 	Students Channel	<ul style="list-style-type: none"> Apply



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Operating Partner	Key Function	Who do they work with?	Tie to Process
AFSA	<ul style="list-style-type: none"> As the primary subcontractor to Affiliated Computer Services, provides the Department with loan servicing for the Direct Loan Program. Services include: <ul style="list-style-type: none"> –Enrollment Status Tracking –Billing –Call Center Operations Also a subcontractor to Accenture, SFA's Modernization Partner, and provides student loan program knowledge and development expertise to support the Department's Modernization effort 	Schools Channel	<ul style="list-style-type: none"> •Repay. In Mod Partner Support, •Entire Process
CBMI Computer Business Methods Inc	<ul style="list-style-type: none"> Operates the Post Secondary Education Participant System (PEPS) database, which contains demographic information for all Title IV institutions Supports the annual default rate calculation for FFEL and Direct Loan Schools 	Schools Channel	<ul style="list-style-type: none"> •Oversight
CSC Computer Sciences Corp.	<ul style="list-style-type: none"> Operates the Virtual Data Center which houses “production systems” for all three channels Runs production for Financial Partners Channel systems 	CIO Students Schools	<ul style="list-style-type: none"> •Entire Process
Computer Technology Services, Inc	<ul style="list-style-type: none"> Designs, develops, and revises publications (examples: Direct Loan School Guide, The Blue Book, The High School Counselor's Handbook); Designs, develops, delivers, and evaluates instructor-led and Web-based training to financial aid administrators, business officers and other school personnel (examples: Fiscal Management Training, SFA COACH, Direct Loans 101); Provides logistical support for training. 	SFA University	<ul style="list-style-type: none"> •Apply •Receive •Repay •Compliance & Eligibility



Appendix C Operating Partners

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Operating Partner	Key Function	Who do they work with?	Tie to Process
EDS Electronic Data Systems	<ul style="list-style-type: none"> Operates the Direct Loan Origination System (DLOS) which receives and processes Direct Loan Origination records from schools Handles disbursements, promissory notes, reconciliation with schools, and manages a Consolidation call center Manages the DLCS, which processes Consolidation Applications and operates a call center for consolidation and origination questions 	CIO	<ul style="list-style-type: none"> •Receive •Repay
Hewlett-Packard	<ul style="list-style-type: none"> Provides systems and engineering support Lent SFA over \$2 million this year to help FAFSA get through its peak season 	All SFA	<ul style="list-style-type: none"> •Entire Process
NCS Pearson	<ul style="list-style-type: none"> Operates the Central Processing System (CPS) Processes Free Application for Federal Student Aid (FAFSAs), verifies student eligibility with other databases , calculates EFC, transmits SARs to students and ISIRs to schools Transmits origination records and disbursement information by schools to the Direct Loan Origination System (DLOS) Manages TIVWAN (the communications network for SFA) and schools Operates the Federal Student Aid Information Center customer service call center for students 	Students Channel Schools Channel CIO	<ul style="list-style-type: none"> •Apply Customer Service •Entire Process
Public Strategies Group (PSG)	<ul style="list-style-type: none"> Transformation Partner 	SFA	<ul style="list-style-type: none"> •Entire Process



Appendix C Operating Partners

Student Aid Front 2 Back

Operating Partner	Key Function	Who do they work with?	Tie to Process
Raytheon E-Systems or Raytheon Systems Company	<ul style="list-style-type: none"> Operates the National Student Loan Data System (NSLDS), which contains student-level information for all current and former student loan borrowers Receives and maintains information from Guaranty Agencies and Schools on FFEL and Direct Loans, Pell Grant overpayments and Perkins Loans Transmits individual student loan data (default status, aggregate loan amounts, etc.) to the CPS for inclusion on SARs and ISIRs Provides online financial aid transcripts, student status confirmation reports, and borrower tracking for schools 	Financial Partners CIO Schools Channel	•Entire Process
Universal Automation Labs	<ul style="list-style-type: none"> Operates the database that supports Campus-Based program functions 	Schools Channel	•Receive



Appendix D Acronym List

**Student Aid
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Acronym	Definition
COA	Cost of Attendance
COO	Chief Operating Officer
ED	U.S. Department of Education
EFA	Estimated Financial Assistance
EFC	Expected Family Contribution
FAA	Financial Aid Administrator
FAFSA	Free Application for Federal Student Aid
FAO	Financial Aid Officer
FFEL	Federal Family Education Loan
FISAP	Fiscal Operations Report and Application to Participate in Campus-Based Programs
FSEOG	Federal Supplemental Educational Opportunity Grant
FWS	Federal Work-Study
GA	Guaranty Agency
IFAP	Information for Financial Aid Professionals (web site)
IRS	Internal Revenue Service
ISIR	Institutional Student Information Record
LEAP	Leveraging Educational Assistance Partnership Program
LS&T	Limitation, Suspension or Termination
MPN	Master Promissory Note
OGC	Office of the General Counsel
OIG	Office of Inspector General
PBO	Performance Based Organization
PLUS	Parent Loans for Undergraduate Students
SLEAP	Special Leveraging Educational Assistance Partnership Program
SLMA	Student Loan Marketing Association (Sallie Mae)
SSA	Social Security Administration
SSCR	Student Status Confirmation Report